



Senate

General Assembly

File No. 73

January Session, 2013

Senate Bill No. 1032

Senate, March 20, 2013

The Committee on Labor and Public Employees reported through SEN. OSTEN of the 19th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT CONCERNING WITHHOLDING OF INCOME TAX.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 31-71e of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2013*):

3 No employer may withhold or divert any portion of an employee's
4 wages unless (1) the employer is required or empowered to do so by
5 state or federal law, or (2) the employer has written authorization from
6 the employee for deductions on a form approved by the commissioner,
7 or (3) the deductions are authorized by the employee, in writing, for
8 medical, surgical or hospital care or service, without financial benefit
9 to the employer and recorded in the employer's wage record book, or
10 (4) the deductions are for contributions attributable to automatic
11 enrollment, as defined in section 31-71j, in a retirement plan described
12 in Section 401(k), 403(b), 408, 408A or 457 of the Internal Revenue Code
13 of 1986, or any subsequent corresponding internal revenue code of the
14 United States, as from time to time amended, established by the
15 employer, or (5) the employer is required under the law of another

- 16 state to withhold income tax of such other state with respect to (A)
17 employees performing services of the employer in such other state, or
18 (B) employees residing in such other state.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2013	31-71e

LAB *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact: None

Municipal Impact: None

Explanation

The bill, which allows employers to withhold a portion of an employee's wages as required by another state's income tax laws, is not anticipated to have a fiscal impact. The Department of Labor has never issued or collected a fine due to a violation of this statute since 1993, when it gained authority to do so.

The Out Years

State Impact: None

Municipal Impact: None

OLR Bill Analysis**SB 1032*****AN ACT CONCERNING WITHHOLDING OF INCOME TAX.*****SUMMARY:**

This bill allows a Connecticut employer to withhold a portion of an employee's wages as required by another state's income tax laws for an employee who (1) works for the employer in the other state or (2) resides in the other state. Under current law, Connecticut employers can withhold state income tax for another state only if the other state has a reciprocal agreement with Connecticut.

EFFECTIVE DATE: October 1, 2013

COMMITTEE ACTION

Labor and Public Employees Committee

Joint Favorable

Yea 11 Nay 0 (03/07/2013)